



VAIL WATER COMPANY
1010 N Finance Center Dr., Suite 200, Tucson, AZ 85710



0000128388

ORIGINAL

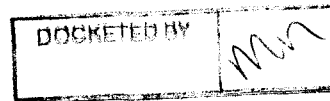
RE: Decision No. 62450 Docket W-01651B-99-0351 / W-01651B-99-0406
Withdrawal of request for an extension of time

August 3, 2011

Mr. Brian Bozzo
Compliance and Enforcement Manager
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

Arizona Corporation Commission
DOCKETED

AUG 17 2011



Vail Water Company hereby withdraws its request for an extension to submit final plans for the direct use of CAP water to the commission as requested in our letter to Mr. Brian Bozzo dated June 30, 2011 (attached).

Thank you for your cooperation.

Sincerely,

Christopher T. Volpe
Vice President

RECEIVED
2011 AUG 17 P 3:35
AZ CORP COMMISSION
DOCKET CONTROL

**Re: Decision No. 62450 Docket W-01651B-99-0351
request for an extension of time**

June 30, 2011

Mr. Brian Bozzo
Compliance and Enforcement Manager
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

In the above referenced Decision, Finding of Fact 25(f) orders that:

“Final Plans for direct use of CAP water within Vail’s service territory are to be submitted to the commission no later than December 31, 2010.”

The reasons for this request are because there wasn’t a solution available to Vail Water Company (VWC) users until recently when Tucson Water started working with Oro Valley on its first “Wheeling Agreement”. That agreement, which went to City Council on June 28, 2011 was to provide the template for future Wheeling Agreements with other providers such as Vail. There is no direct delivery option available to Vail other than this. Vail’s recharge facility is in Marana, some 25 miles away. The Tucson area has virtually no direct CAP usage other than Tucson Water. That is why for the last 10 years Vail has researched different alternatives but always came back to the Wheeling Agreement being the only viable alternative. Until recently, Tucson Water did not entertain such agreements. Oro Valley is the first, which took a year to negotiate and is just now being considered for approval.

VWC has worked diligently toward compliance. Once Oro Valley is approved, the final plan for VWC should come shortly thereafter. VWC will immediately begin negotiations with Tucson Water. I have provided Brian Bozzo, in correspondence dated June 28, 2011, back-up material showing VWC efforts to secured a Wheeling Agreement, including emails to and from various officers of Tucson Water as well as a draft of Tucson Water’s Wheeling Agreement with Oro Valley.

VWC is requesting an extension on the above requirement for Final Plans until November 30, 2011, taking into consideration that any agreement must be approved by Tucson Mayor and Council.

VWC is committed to direct delivery of CAP to its users. Thank you for your consideration

Sincerely,



Christopher T. Volpe
Vice President

Cc: Carmel Hood-ACC